



Wednesday, August 11, 2004

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Governor Doyle Urges Auto Insurers to Offer Fair Treatment for Returning Wisconsin Troops

Governor Jim Doyle today directed the Office of the Commissioner of Insurance (OCI) to issue a bulletin to auto insurers, encouraging them to give returning Wisconsin members of the armed services fair treatment on their auto insurance.

"Men and women who defend our nation should not be penalized by their auto insurer because of their service to our country," Governor Doyle said. "When these brave men and women return home, this is one hassle they should not have to deal with. I am asking all auto insurers to make sure that their policies recognize the great contributions our soldiers have made."

A common practice in the industry, insurers often place individuals who go without insurance for an extended period of time into a higher risk category than those who do not have any gaps in their coverage. Troops whose auto insurance lapsed while they were stationed abroad could have been reclassified into a higher risk pool, or denied reinstatement of coverage when they returned home. The result would have meant increased insurance premiums for the troops—effectively penalizing them for performing their duties.

"While we have not been made aware of any problems to date, this bulletin asks insurers to consider the special circumstances that apply to our troops," said Jorge Gomez, Commissioner of Insurance. "This is but a small gesture of thanks that we can make to the brave men and women who put their lives on the line to protect our freedom and security."

Although some insurers may have been following internal policies that did not reclassify troops into higher risk pools, the OCI bulletin urges uniform treatment for returning military personnel regardless of the insurer. Specifically, insurers are asked to "reinstate policies that treat the applicant as if there was continuous coverage for underwriting and rating purposes," as long as the policyholder was "in good standing at the time of leaving for active duty and can show proof that active service was the reason for the loss in continuity of insurance coverage."

The complete bulletin is available on OCI's Web site at <http://oci.wi.gov>.

Created by the Legislature in 1871, Wisconsin's Office of the Commissioner of Insurance (OCI) was vested with broad powers to ensure that the insurance industry responsibly and adequately met the insurance needs of Wisconsin citizens. Today, OCI's mission is to lead the way in informing and protecting the public and responding to its insurance needs.